Unemployment Insurance Review

November 1967

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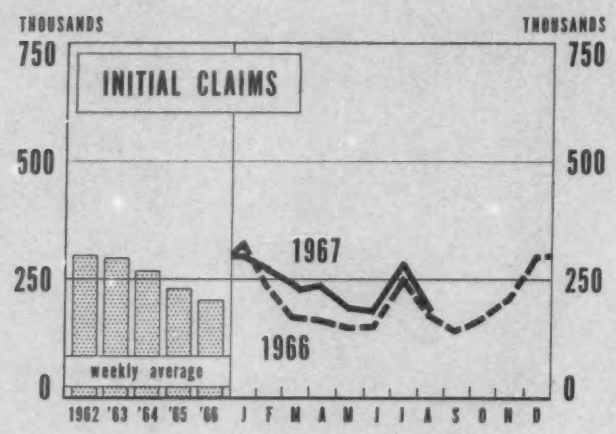
- UC Research in Ohio

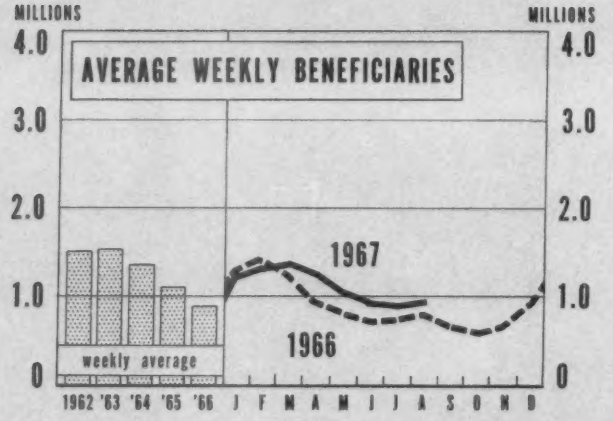
UNITED STATES DEPARTMENT OF LABOR
Manpower Administration

UNEMPLOYMENT INSURANCE ACTIVITIES

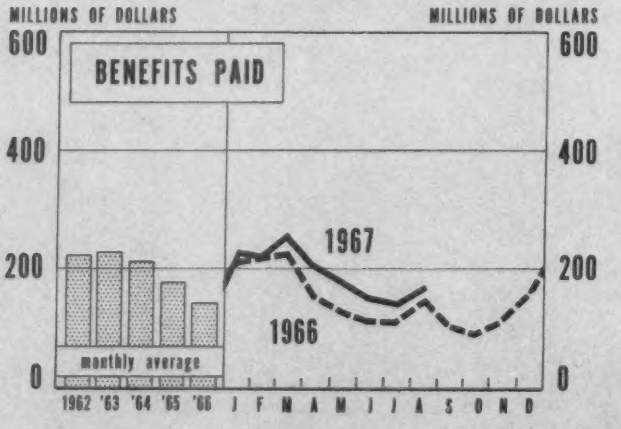
UNDER STATE PROGRAMS



Initial claims under State programs averaged 186,800 per week in August—100,900 below the July volume. Except for August 1966, when the average was 172,700, initial claims were at the lowest level for the month in 10 years.



The number of unemployed workers receiving benefit payments under regular State programs averaged 945,900 in August, compared with weekly averages of 906,600 in July and 791,000 in August 1966.



A total of $173 million was paid in benefits to insured jobless workers under regular State unemployment insurance programs in August—a rise of $25.5 million from July, and $29.7 million above August a year ago.

Unemployment Insurance Review

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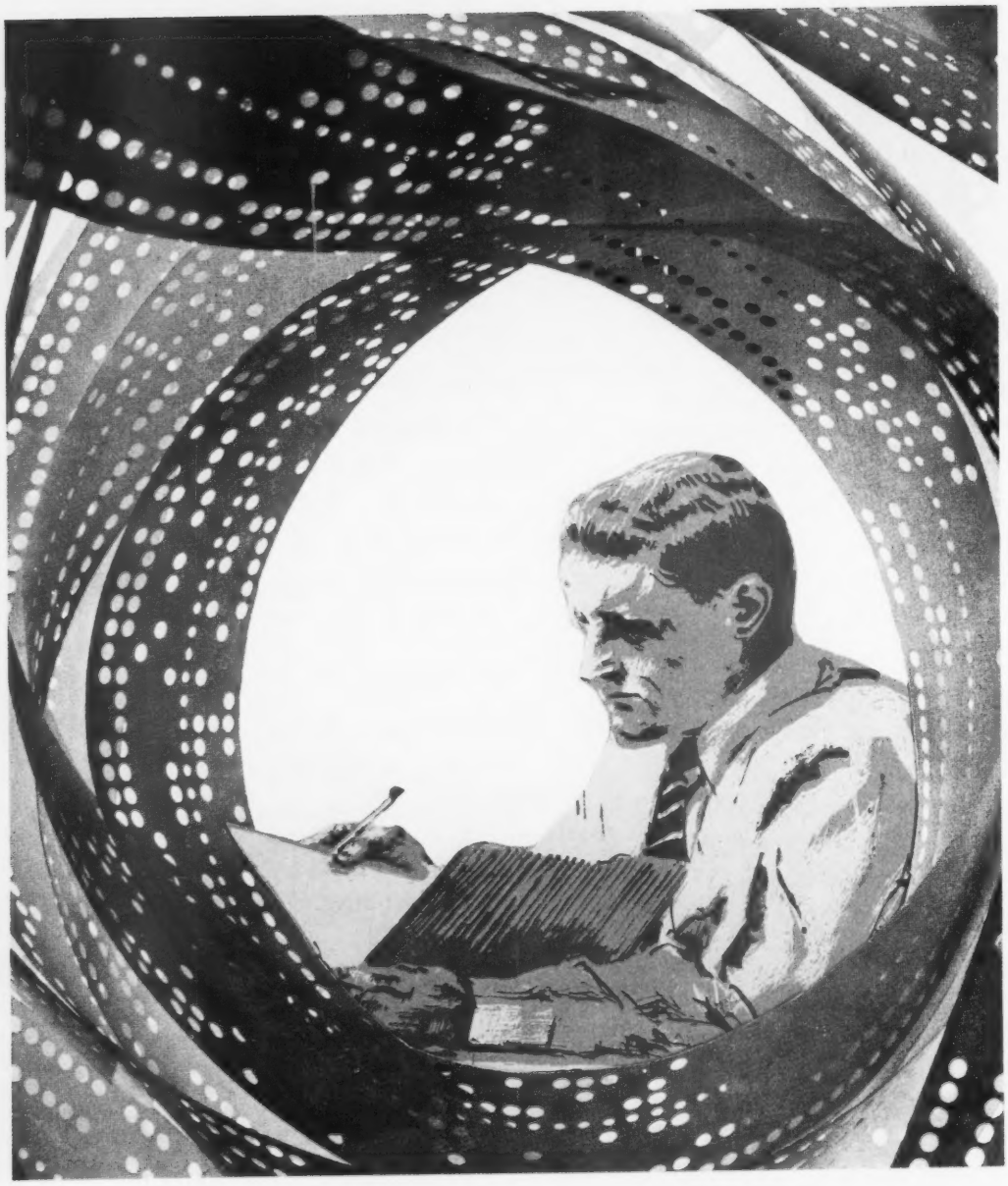

UI Research Outside Government

Saul J. Blaustein

IN AN ARTICLE in the June issue of the *Unemployment Insurance Review*, Prof. Louis F. Buckley pointed out that interest in unemployment insurance among academic circles has diminished seriously over the years. A number of academicians, who obviously have not lost their interest, commented on his observations in the same issue of the *Review* and generally agreed with his interpretations. They also offered suggestions for restoring interest and involvement. Several of them, as well as Buckley, mentioned research as one likely attraction. If students and faculty in different parts of the country can be stimulated to engage actively in UI research, a long step will have been taken toward reversing the trend.

Implied in all of this discussion is the idea that academic interest and participation in UI matters are important and well worth reviving. To contribute to that end, this article will discuss the past record and potential future of unemployment insurance research outside government, and suggest a scheme for its encouragement.

Importance of Academic Interest

First it would be useful to indicate why the academic community should devote more attention to the program—particularly to its research needs.

During the last dozen or so years, unemployment insurance in the United States has become increasingly controversial. Issues have proliferated regarding almost every aspect of the program, breeding a growing discontent and debate

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over its structure, content, and administration. Indeed, in their book, *Unemployment Insurance in the American Economy*, described as "An Historical Review and Analysis," William Haber and Merrill G. Murray devoted the greater part of its space to issues in the program.[1] While it is generally agreed that unemployment insurance has contributed to the relief and prevention of individual distress among workers and toward the support and stabilization of consumer purchasing power, at the same time a spreading doubt exists about the adequacy and effectiveness of that contribution, about costs, about the propriety and form of methods used, and even about the program's basic purposes viewed in a social and economic context far different from that of 30 years ago when unemployment benefits first were paid. Moreover, the uncertainties and controversy extend to the proposed remedies and resolutions of the issues.

The 89th Congress subjected unemployment insurance to one of its most extensive public reviews in response to the Administration's proposals in 1965 for reform of the system. In the end, Congress failed to reach a broad enough basis of agreement on which to legislate change, and so the controversy and uncertainties about the program continue. The chief advocates of the opposing views of business and labor appear unable to reconcile their respective positions sufficiently to accommodate a policy settlement of some of the basic issues. The views of Federal and State officials responsible for the program's administration are also divided, further weakening chances for developing and adopting acceptable proposals. In effect, a stalemate prevails.

The academic community has been substantially absent from this debate. Buckley reminds us that university-based intellectuals played a key role in the formative days of unemployment insurance. They are now playing an active and key role in the formation and evaluation of programs and policies in the fields of manpower development and poverty. Similar efforts directed from these quarters to problems in unemployment insurance could very well help guide us out of the present stalemate.

Despite the controversy, unemployment insurance stands out as by far the most important income maintenance program available for sustaining workers during unemployment. Without it, the task of dealing with poverty and manpower development in this country would assume a different and more difficult character. Continued neglect of the program's problems could hinder progress in these areas; resolution of some of its problems might facilitate progress. The position that the UI program occupies with respect to the whole area of income, unemployment, manpower development, and poverty is so central that it cannot be disregarded with impunity.

Academicians, therefore, should not and indeed cannot ignore this program when working in related fields, and their principal contribution is to be made in research and evaluation. The academic world has no direct stake in unemployment insurance comparable with that of business, labor, or the program's administrators. Academic views command respect and confidence because of their inherently disinterested position. At the same time, however, exaggerated professional detachment from the program could handicap adequate exploration of the root problems. The needed research and evaluation must be incisive—not a glancing, superficial commentary and it must proceed along realistic lines and not build upon remote hypothetical propositions.

Past Academic Research

The circumstances are not all so bleak as one might suppose from this discussion. Competent and significant work in unemployment insurance has been done by academic researchers in the past, even in recent years. Indeed, all of those who commented on Professor Buckley's article in June have been important contributors in the field. There are many others whose names are prominent in social insurance literature. The excellent bibliography provided by Haber and Murray in the book mentioned above on unemployment insurance lists work by noted academicians that is impressive in amount and quality.

One weakness in past academic research in unemployment insurance has been the tendency for most studies to be conducted in isolation from one another and, frequently, as individual "one-time" affairs incidental to another main line of interest. What has been lacking is some coordinated framework through which such researchers may relate their work on unemployment insurance to the needs of the program. This is not to say that

[1] Haber, William and Murray, Merrill G., *Unemployment Insurance in the American Economy* (Homewood, Ill.: Richard D. Irwin, Inc., 1966).

all the research performed should be housed within one organization, or that participants should be required to adhere rigidly to a given plan and time schedule. On the contrary, the best atmosphere is one entirely free of such limitations and in which investigations may be pursued under many and varied auspices. The point, however, is that without some general intellectual frame of reference, without some common understanding of the concepts and terms of discussion, UI research could and does become fragmented or disjointed. Moreover, academicians who undertake such work are usually involved in other activities, such as teaching or consultation and research in other areas. Their concentration on unemployment insurance does not tend to be continuous, or even prolonged. Such factors handicap the development of a cumulative impact on the program by the academic world.

It might be appropriate at this juncture to note that The W. E. Upjohn Institute for Employment Research has provided a substantial amount of support over the years for research in unemployment insurance. Many of the contributions made by academicians have been possible because of this support, both material and otherwise. More recently the institute has endeavored to stimulate UI research by holding a conference of students and officials of the program to discuss informational needs and study suggestions. The conference was held in May 1967 in Baltimore. In attendance were several Federal and State government research technicians and a number of academicians who have long maintained a firm interest in unemployment insurance. The institute plans to publish a summary of the proceedings. Wide dissemination, it is hoped, will stir further interest in academic circles. The meeting seemed to confirm that if any significant progress is to be made toward the conduct of substantially coordinated and continuing research, it will be necessary to construct some kind of a general framework to guide researchers, and to devote sufficient resources to sustain prolonged efforts in this area. The Upjohn Institute is undertaking now to provide for some of these needs.

Framework for UI Research and Evaluation

What kind of framework is most appropriate as a guide for research in unemployment insurance? One could easily compile an inventory of study ideas that have been suggested from time to time and that remain unfulfilled. Merrill G. Murray has done something along these lines in a recent article.[2] The Federal Bureau of Employment Security issued "Suggested Unemployment Insurance Program and Financial Research Subjects" in 1962, primarily to guide State employment security agencies in developing their research plans.[3]

Murray's list focuses on the benefit side of unemployment insurance, with particular stress on specific elements in present State laws. The Bureau's guide covers practically all program elements, from coverage through eligibility and benefits to financing. Government technicians and a few students of the program can appreciate the need for this work almost instinctively because of their intimate association with it. What these guides do not provide is a cogent rationale, a coordinated and meaningful context for the suggested studies. To broaden academic interest and participation, it is important to provide such a framework. Those who are not well acquainted with unemployment insurance are not likely to appreciate fully the value, for example, of a study of the subsequent labor force experience of claimants who have been disqualified from benefits, or of the relative merits of different kinds of experience rating systems. As Professor Buckley noted, in the *Unemployment Insurance Review* article mentioned above:

> Emphasis placed . . . on narrow and specific technical and legal aspects of unemployment insurance [results in] reluctance among some economists to undertake research in unemployment insurance. . . . [It is helpful] to stress the economic and social aspects of the subject.

With these considerations in mind, a tentative and partial outline for such a framework is offered here in the hope that it will arouse interest and discussion leading to further elaboration and improvement. The major underlying premise is that research conducted in unemployment insurance should relate to a systematic review and evaluation of the program, covering basic philosophy and concepts as well as structure and procedures. Such a framework might, for example, serve as an agenda for a study commission whose task would

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[2] Murray, Merrill G., "Gaps in Unemployment Insurance Benefit Research," *Dimensions of Manpower Policy: Programs and Research*, (Baltimore: The Johns Hopkins Press, 1966).

[3] A new guide covering program research is in preparation by the Bureau, which updates and expands the earlier version.

be (1) to review the program's accomplishments and deficiencies, its purposes and form, and its problems and issues; and (2) to develop recommendations for reform and improvement, if indicated.

The outline which follows is oriented toward policy questions and their resolution. It is divided into three parts dealing with aims of the program, its structure and administration, and questions regarding its content.

Basic Objectives of UI

In many cases, the issues most difficult to resolve are those which relate to the fundamental purposes of the program. It is not surprising that in more than 30 years of existence the program's original aims have become somewhat clouded and eroded through obsolescence. For this reason, a thorough, systematic review and reevaluation of objectives seems to be in order at this time. In fact, it appears hardly feasible to attempt any resolution of basic program issues without some clearer understanding and more general agreement with regard to program purposes. In areas where a reasonable consensus is not possible, discussion can at least help clarify the issues.

Since unemployment insurance is, and no doubt will remain, a multipurpose program, it is appropriate to review all the objectives it might serve, particularly in the light of the enormous social and economic transformations that have taken place during the past 30 years. A useful first step would be to compile a summary of broad and basic purposes normally associated with the program. These objectives have been expressed in Federal and State law, in official documents, and in the literature on unemployment insurance. To these should be added goals which have been suggested from time to time but not always or generally accepted as appropriate for the program. The list should also include other objectives which might suggest themselves out of the context of current social and economic problems or policy issues. Past compilations of program aims should be taken into account.[4]

Following is one possible list and grouping of such objectives. It is not by any means complete, and it could be organized in other ways. It does, however, illustrate the construction of a framework for evaluation purposes and serves as a possible point of departure for such an undertaking. The list is presented without regard to whether a particular objective should be retained, added, or altered—a conclusion which should be the result of the review:

1. ***Assistance to individual unemployed workers:*** *To provide cash support to temporarily and involuntarily unemployed workers and their families so as to deter financial destitution, and to enable them to obtain this assistance in a dignified manner.*

In pursuing this goal, the program seeks to afford the individual worker a measure of economic security and peace of mind with respect to potential unemployment, as well as material assistance during actual unemployment. The insurance approach aims to preserve the individual worker's dignity (often abused in a relief approach) by substituting an automatic right to benefits for a review of the individual's means and need for financial assistance. Although the insurance character of the program is firmly established, there has been a revival of some interest in the relief concept, at least as applied to certain aspects of the unemployment problem. Questions have been raised regarding the need for benefits for some classes of workers, and whether income maintenance for the long-term unemployed should be provided on an insurance basis.

Concern with costs also stimulates consideration of a means test to restrict benefits. More fundamental, perhaps, is the dialogue over proposals of government guarantees of minimum income. The implications for unemployment insurance warrant adequate consideration of this idea in relation to the program and its purposes.

To enable the unemployed worker to sustain himself so that he may search carefully and deliberately for new employment appropriate to his accustomed skill and wage level (or await recall to his former employment in the absence of other suitable jobs).

With this protection, the unemployed worker need not feel compelled, because of financial pressure, to jeopardize or sacrifice the vocational progress he has made. How closely the program should adhere to this objective under circumstances of uncertain or discouraging employment prospects has become an increasingly important issue. The

[4] Mallsoff, Harry, *Simplifying Unemployment Insurance Objectives* (Pasadena: California Institute of Technology, 1960); New York State Department of Labor, *Objectives of the Employment Security Program,* Division of Employment Research Bulletin 1967—3 (Albany: April 1967); U.S. Department of Labor, *Unemployment Insurance Purposes and Principles,* Bureau of Employment Security (Washington, 1950).

question is especially relevant in view of the growth of policies and programs designed to guide the unemployed into new or different vocational patterns through training or other measures.

*2. **Promotion of improved manpower utilization:***

To speed reemployment of unemployed workers by exposing them to job opportunities.

The unemployment insurance program encourages better use and development of manpower by requiring claimants to register with the Employment Service, thereby giving them access to job openings and to guidance in locating employment. The program also requires claimants to follow other means appropriate for finding suitable employment. How actively the program should pursue this objective has become a more important issue as increased emphasis is placed on active manpower policies.

To enhance the employment potential of unemployed workers.

The UI program, by providing for benefits to claimants who move across State lines avoids obstructing geographic mobility, and thereby does not interfere with better manpower utilization. More recently, serving the same objective, the continued payment of unemployment benefits to claimants who undertake training has become increasingly important and controversial. There is some question as to how far the program can go in active pursuit of this goal without losing some of its character.

*3. **Promtion of stable utilization and supply of labor:***

To encourage employers to regularize or stabilize their employment patterns through the year.

The program aims to provide an incentive to employers to minimize unemployment by varying unemployment insurance tax rates on the basis of layoff experience. Whether this feature of the program has contributed to employment stabilization in individual firms is an open question. Some believe it has produced other effects not intended or necessarily desirable.

To assist employers who are faced with seasonal or other irregular patterns of business to retain a skilled or experienced labor supply.

There is no consensus that the above objective is a legitimate one. The program, however, appears to serve this end; thus controversy is created. In effect, unemployment insurance takes on some of the character of a subsidy for certain industries (for example, lumber, construction, canning, apparel, and so on) which have been unable to employ all workers year round.

*4. **Promotion of general economic stability:***

To counter deflationary effects of unemployment on the economy by sustaining consumer purchasing power through wage loss compensation, and by varying unemployment insurance tax rates so as to correlate appropriately with variations in the business cycle.

The degree to which the program can or should serve this purpose has been a debatable issue, particularly as to whether its effects in this direction ought to be simply incidental, or deliberate.

To preserve flexibility and freedom of choice for private and public economic policy.

In a broad sense, unemployment insurance helps to support the Nation's emphasis on free economic choice and individual initiative by mitigating the effects of imperfections in the operation of our predominantly free enterprise system. Imperfections can at times produce involuntary unemployment for individual workers through no fault of their own. Unemployment insurance enables the country to tolerate those imperfections while enjoying the benefits of the system. Similarly, the program helps mitigate the effects of changes in governmental policies (taxes, spending, or defense) all of which could lead to manpower dislocations resulting in unemployment.

Structure of the Program and Its Administration

Following a review of basic objectives, the proposed framework considers the means for accomplishing the program's goals—the form of the program and the organization and methods of its administration. Here, too, the outline can be expanded and organized differently.

1. *Organization of the Federal-State UI system:*

Political structure.—Indicated here is the issue of whether the program should be entirely Federal or a Federal-State system, as it now is. Related, also, is the general issue of minimum Federal standards, as well as the whole complex of Federal-State relationships. Here must be examined the national as opposed to State orientation of the new manpower and antipoverty programs, and the implications of this development for unemployment insurance. The discussion needs to consider the problem of interstate migration of workers and the national character of our economy in general. There should be some evaluation of the

concept of, and experience with, State experimentation in unemployment insurance, which helped originally to support the case for a State-by-State basis for the program.

Economic structure.—Organization of unemployment insurance along industrial or occupational lines is another area of review. The railroad industry is an example of such fragmentation in this country, as is the somewhat separate system for agricultural workers in Hawaii.

Financial structure.—This area concerns, basically, such questions as who should bear the cost of the program—employers alone or some combination of employers, workers, and government—and to what degree costs should be pooled or charged to individual employers so that their taxes could vary according to the unemployment experienced by their employees.

2. *Relationship between unemployment insurance and other public programs:*

Under this heading is the question of whether the UI program should be independent of, or integrated with, other income maintenance programs—particularly the other social insurance categories and welfare. Also important to explore is the relationship to programs for manpower development and training, to those combating poverty and, of course, to the Employment Service.

3. *Relationship between UI and private plans of income support for unemployed or terminated workers:*

Supplemental unemployment benefit and severance pay plans, and union proposals for guarantees by employers of minimum annual employment or wages, offer renewed interest in voluntary approaches to the problem. While there is no serious suggestion to abandon or alter the basic compulsory character of the UI program, the trends in private plans can influence the nature of further development and extension of the public program. Also to be considered are the program's relationship to these developments and how to deal with administrative and legal problems that arise.

Issues Surrounding Specfic Aspects of the UI Program

Finally, the framework deals with specific elements in the UI program. The categories here are more or less standard. They include (1) coverage, (2) qualifying requirements, (3) eligibility conditions and problems of abuse, (4) weekly benefit amount, (5) duration (regular), (6) duration (recession and long-term unemployment), and (7) financing.

This part of the outline can be elaborated upon readily by adaptation of research guides issued by the Federal Bureau of Employment Security or other lists of research needs.

Application of the Framework

For each objective or issue, to the extent appropriate, the manner and order of treatment in an evaluation might consist of the following:

(1) Statement of the issue, or objective, (2) review of the question in terms of its development and its treatment in law and practice (also indicating any foreign experience), (3) review of available facts relevant to the issue and indication of gaps in knowledge which inhibit clear resolution of the question, (4) summary of current pros an cons, (5) alternative solutions or policies, (6) recommendations—(a) positions, and (b) additional research.

As indicated earlier, a fully developed framework of this nature can serve as an agenda for a systematic review and appraisal of the UI program. The end product of this effort is, conceivably, a set of conclusions and recommendations about the present status and the future of unemployment insurance in the United States. A good deal of factual information relevant to problems and program performance is available. It should be marshalled and organized so as to focus on the essential elements of the evaluation. Informational gaps will become apparent in the process. The research necessary to close these gaps can then be identified, planned, and pursued.

An inventory of informational needs organized within such a framework should help researchers in specifying the questions to be studied. While they would conduct any particular investigation with complete freedom and independence, by shaping their research aims to serve the process of program evaluation, there would be more assurance of producing useful and meaningful results. An evaluation framework would thereby make UI research a reasonable and tangible field of work for those academicians unfamiliar with the program and unnecessarily intimidated by its legal and technical content. The development of a research inventory cast within such a structure could attract some of this untapped talent and help to restore academic interest in unemployment insurance.

Quarterly Wage Records: A Source for UI Research

Lee Russell

RESEARCH divisions of State employment security agencies are called upon daily to furnish a myriad of information covering all phases of the UI program. This information is required not only to satisfy the needs of administrative and operating personnel for purposes of program planning and evaluation but to answer various requests dealing with the economic and social significance of the program.

To fulfill this obligation in meeting current and anticipated developments, the Research and Statistics Division of the Oregon Department of Employment has, over the years, developed a reservoir of information which can be tapped as the need arises. The Oregon agency has found that while it is not so vital as some other data sources, the quarterly wage record is one of the most widely used for obtaining information and for preparing research studies.

All employers covered by the Oregon unemployment insurance law are required to furnish the agency a quarterly wage report which includes a listing of the name, social security number, the *total* amount of wages paid, and the number of weeks worked, for each individual receiving remuneration during the quarter. This information, along with the employer's account number and industrial classification code (Standard Industrial Classification), is punched into a quarterly detail card. As a result, a relatively complete history of the individual's attachment to the covered work force is available in the wage record file. The primary purpose of the wage file is, of course, a source for obtaining base-period information needed for the claims determination process when a claim for unemployment insurance is filed.

Each year since 1942, the Oregon agency has selected a sample from the wage record file for the year, prepared duplicate records for statistical use and subjected them to an intensive analysis. For the first few years a 2-percent sample was used, but because of the limitations resulting from such a small sample the size was extended to 10 percent beginning with the 1946 calendar year analysis so that meaningful data could be developed for additional groups. Annual reports, including the analysis and statistical tables, have been prepared and published for most years since then.

Needs for and Uses of Data

Before discussing some of the types of information derived from the wage record data, it may be of interest to know some of the factors which

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Food processing industry in Oregon has significant numbers of female and seasonal workers.

prompted this type of research. The original sample selection of workers in 1942 resulted from a report made to the Federal Bureau of Employment Security which required the agency to provide annually an estimate of the number of workers who earned wage credits during the base year for Oregon claimants. The purpose of the sample was to analyze the wage file to determine the relationship between the number of wage items and the number of individuals. Incidentally, the first 4 years' sample covered the 12-month period ending on September 30 each year (the base year at that time) rather than a calendar year. Effective with 1946, the base year was changed to a calendar year making the 1946 analysis not only the first covering 10 percent of workers but also the first covering the calendar year.

With the availability to the research division of information regarding a randomly selected sample of workers over a long period of time, the agency was soon able to provide at least partial answers to a number of questions which are relevant to the unemployment insurance program. The wage data are indicators of individual earnings and industrial differences in wage rates and are therefore important measures of economic activity.

A major factor in the need for information on the insured labor force is the seasonal nature of employment in the State. Historically, Oregon has experienced sharp seasonal fluctuations from the winter low point in January or February to the summertime peak in August and September. Similar employment patterns in the basic lumbering, construction, and food processing industries account for a significant portion of the seasonal variation. In recent years the seasonal problems have been moderated somewhat as some food processing establishments have stretched out their operating season, but lumber has undergone the most dramatic change. Employment declines have occurred among the weather-affected logging and sawmill sector, but thousands of new jobs have opened up in the more stable plywood and veneer group.

Despite this moderating influence, the Oregon economy still experiences considerable seasonal tendencies. This is illustrated by a comparison of 1948–52 experience with that of the 1961–65 period. For the period 1948–52, employment changes between February and August averaged nearly 70,000 per year, or a swing of some 17 percent from the low to the peak month of employ-

ment. The latter 5-year period, 1961–65, reveals almost the same magnitude of variation (65,000), but because of the expansion in the labor force this represented a seasonal swing of only 12.5 percent.

During the earlier 5-year period, employment in the three industries of lumber, construction, and food processing varied some 47,000 from the wintertime low to the summer peak, representing two-thirds of the all industry change. During these years lumber added an average of 24,000 between mid-February and mid-August. By 1961–65 these industries experienced a seasonal variation of only 32,000 employees, or less than half of all industry changes. The declining seasonal tendencies in lumber and wood products accounted for most of this improvement as this bellwether industry had reduced its seasonal variation to 12,000. The recent national housing slump, and its subsequent depressing effect on lumber and plywood demand, illustrates how the Oregon economy is still very much timber-oriented, at least in most localities outside the Portland metropolitan area. In spite of the improvements related above, the lumber, construction, and food processing groups still account for nearly 55 cents of each dollar paid in unemployment insurance benefits.

As a consequence of the seasonality problem and its impact on unemployment insurance costs, a considerable amount of information concerning the insured labor force (claimants and nonclaimants) is needed for program evaluation and planning and to satisfy requests from the State legislature, the State advisory council, and other groups. As most of these requests fall in the area of qualifying requirements and benefit entitlement, the use of the quarterly wage information provides some insight into labor force attachment status of workers. For example, the data provide answers to such questions as: In what industries do Oregonians find work? What is the distribution of workers by annual earnings? How long are workers employed during the year? The food processing sector, with significant numbers of female and seasonal workers, comes under the closest scrutiny of any industrial group.

Analysis of the Data

The first step in the analysis of wage information is the summarization for the year of all detail records for each social security number (or worker) in the sample to obtain the following information:

- Annual earnings,
- Earnings for each quarter,
- Amount of and calendar quarter of high-quarter earnings,
- Annual earnings/High-quarter earnings ratio,
- Weeks of work,
- Industry of principal employment,
- Number of two-digit industries and number of employers from which wages were received,
- Percent of earnings received from principal industry, and
- Average weekly earnings.

Not all of the above characteristics have been calculated or studied each year but the list provides a general idea of the information available.

The basic analysis has remained relatively unchanged over the years with the major interest

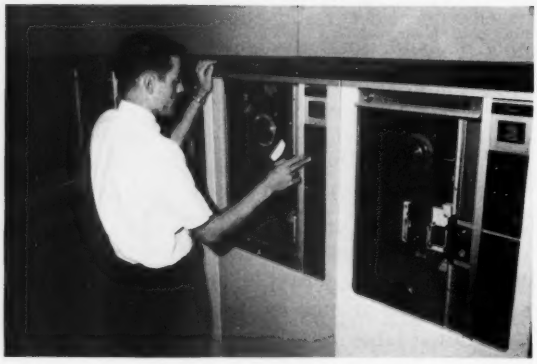
Wesley Zellner, Research and Statistics Director, explaining statistics to committee of the Oregon State Advisory Council.

centering in the two areas related to labor force attachment—the source and amount of employment. In addition, median annual earning levels have been developed each year to provide indicators of individual earnings and of industrial differences. For the past few years average weekly earnings have been calculated in considerable industry detail in response to requests for this type of information.

Originally, the amount of employment was analyzed in terms of the amount of annual earnings and the number of quarters worked. As interest increased in the use of the annual earnings/high-quarter earnings (AE/HQE) relationship as a determining factor in the qualifying requirements for unemployment insurance, this measure of labor force attachment was analyzed extensively. Material developed from this analysis proved useful in establishing one of the current requirements for benefit eligibility under the Oregon law, namely, 20 weeks of work during the base period. Since this requirement became effective in 1959, the more precise device—weeks of work—has been available for measuring the length of employment.

Application of the weeks of work information in developing alternative tests of benefit entitlement have not been followed up to a great extent for two reasons: (1) Employers were slow to comply with the weeks of work reporting requirement which affected the validity of the weeks of work data for several years, and (2) general satisfaction with the 20 weeks of work test did not stir much interest in the search for alternatives.

Because of the Oregon agency's experience in the analysis of wage information and the availability of detail data, the Bureau of Employment Security requested the agency to test the *Guide for the Conduct of Unemployment Benefit Entitlement Studies*, issued by the Bureau in 1960. Workers with wages in 1958 were selected for the test study. The Oregon report, published in 1962, contained intensive analyses of the 1957–59 work experience of these workers and represented an attempt to find an area or limits within which an insured status requirement should be established. Although the report concluded that no clear-cut boundaries for this area existed, at least based on Oregon worker experience, it did validate the *Guide* as a device for conducting benefit entitlement studies. A significant, although not entirely unexpected, finding of the study was the extent of turnover in the covered labor force from year



The computer room of the Oregon agency.

to year. From the wage records of the workers studied it was found that nearly 25 percent of the individuals in a given year had not received wages in Oregon in covered employment during the preceding year (new entrants) and nearly the same proportion dropped out of the insured labor force from one year to next. It was felt this high rate was not out of line because of the highly seasonal nature of the economy and the large number of casual workers seeking work during the summer months. The high proportion of casual workers is attested to by the fact that some 20 percent of all workers earn less than $500 in covered employment during the year.

As a supplement to the entitlement report a brief analysis using 1960 wage information was included. The supplement compared the effects of two alternative qualifying provisions—earnings of $20 in each of 20 weeks, and annual earnings of at least 1.5 times high-quarter earnings. Many additional comparisons using alternative number of weeks and AE/HQE ratios are possible from the data.

Other Uses of Data

The Oregon agency has found the wage record information useful for many other purposes. For example, the data furnished a basis for validating the work history information obtained from Oregon claimants during the surveys completed as part of the research program connected with the Federal Temporary Extended Unemployment Compensation Act of 1961. A report covering the findings of this validation check was published in 1965. Several analyses concerned with establishing seasonal restrictions on receipt of benefits have utilized the quarterly wage information as part of the study. Just recently, comparative wage information, before and after training, was obtained from agency files as part of an evaluation of the effectiveness of projects under the Manpower Development and Training Act. Distributions of numbers of workers by annual earnings are valuable in estimating the immediate effect on taxable payroll of a change in the taxable wage base and the comparative effect of such a change on various industries. While we have not made any studies in the area of dual job holders, the wage file can provide the basic source for selecting a sample of wage earners for use in studying the extent and selected characteristics of dual job holders.

Conversion to CWBH Program

Except for the benefit entitlement study, the Oregon reports on worker characteristics have dealt with a single year. The agency is currently planning to convert from this program to a continuous wage and benefit history program as soon as possible. Conversion of data processing operations from a punchcard system to a computer system has delayed the start of this program to some extent. However, now with the installation of a modern third-generation computer, it is hoped that early implementation of the program will be possible. In the past, both our worker and claimant samples have consisted of all individuals with social security numbers ending with digit "1". The claimant samples have covered fiscal year periods, a carryover from the uniform benefit year provision (fiscal year) in effect prior to 1959. This will be changed to a calendar year basis. Also, to take advantage of the age, sex, and race information available from the Social Security Administration's 1-percent sample, the digits selected for 1966 and future years will include those in that sample.

During the conversion process to the new sample, the agency intends to continue with end digit "1" for a year or so, or until a sufficient reservoir of information has been assembled for the new group of workers and claimants. This will enable the preparation of much of the planned analysis of workers and claimants considerably sooner than if the research staff had to wait for the needed information for the new group to be assembled.

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UC Research in Ohio

William Papier

SOUND DECISIONS—executive, legislative, or judicial—must be based on facts. Many of the needed facts in the field of unemployment compensation are to be found within the normal operating records; yet they are often inaccessible to those who could best use them to advantage. The sheer volume of records from which key facts can be abstracted often poses problems. The need for speedy processing and immediate operational access to such records, or their geographic dispersion locally, may make them unavailable for statewide nonoperational analysis. Research staff may lack one or two key items, not required by the current statute yet highly pertinent to future policy judgments. Or personnel and procedures may be unavailable for the systematic definition, compilation, and analysis of significant facts contained in these records. Areas in unemployment compensation in Ohio on which new facts have been obtained from operating records include claimants' average weekly earnings, benefit fraud, exhaustion rates, and industry experience relating benefits paid to contributions received.

Mr. Papier is Director, Division of Research and Statistics, Ohio Bureau of Unemployment Compensation.

Average Weekly Earnings

One major area in which relatively little is known concerns average weekly earnings of claimants. The basic facts from which such data could be compiled on a continuing basis in Ohio were available from three different operating forms in local offices. One provided base-period employment and earnings information, one indicated the new claim determination, and one recorded the claimant's history over his benefit year.

The problem was how to pull the pertinent information together with respect to a given claimant; to facilitate statistical compilation, yet keep the processing burden within reasonable bounds. This was resolved by utilizing the identical social security number sample required for reports on claimant characteristics. A monthly line-item report was developed, covering each new claim allowed for claimants within the prescribed sample. Only one item of information not already on the operating forms had to be obtained—base-period weeks and earnings of claimants eligible to receive the maximum weekly benefit amount. This was done with respect to claimants in the sample.

The monthly reports, edited and processed by the agency's Division of Research and Statistics, covered only about 7,900 claimants whose new claims were allowed in 1966. Yet they provided

a veritable gold mine of facts, yielding accurate information concerning 20 times as many claimants. Average base-period earnings, from $20 up to $400 or more per week, were distributed in $10 intervals, for example, by sex and dependency status.

Wide variations between average weekly earnings of men and women were not surprising. Of significance to arguments concerning dependents' allowances was the fact that men claimants with dependents earned nearly one-fifth more than men claimants without dependents. Relatively few women claimed dependents. Furthermore, average weekly earnings increased with length of attachment to the labor force; those who worked 50 or more weeks in their base periods averaged 28 percent more than those with 20 but less than 25 weeks. The more mobile interstate claimants earned more per week than their intrastate counterparts, both men and women.

An unexpected finding developed when base-period employment was distributed by week, from 20 through 52, and compared with a corresponding tabulation 26 years earlier. There was a remarkable similarity between the distribution in the recession year 1939 and that in the boom year 1965. This would appear to suggest inherent merit in weeks of employment as a meaningful test of labor force attachment, relatively unaffected by secular, cyclical, and inflationary factors.

Data in process indicate the probability of cyclical as well as seasonal variations in average weekly earnings of claimants. Wide differences are also anticipated in averages by industry, race, age group, formal education, and family status as primary or secondary workers.

The policy and legislative implications of these data are fairly obvious. So long as benefits are geared to prior earnings of claimants, benefit adequacy should also be measured against such earnings. If the percentage of wage loss compensated should not be higher for secondary workers than for primary workers and family heads, then benefit schedules may warrant substantial revision. If claimants who normally work on a year-round basis are to be treated more generously than those with limited attachment to the labor force, then changes may be justified in base-period eligibility requirements and potential duration provisions. Probable effects of proposed legislative changes on different categories of claimants—in all or parts of the total benefit formula—can be fairly assessed only in the light of continuing, well-organized, and *pertinent* facts.

Benefit Fraud

Another area of constant contention has been that of benefit fraud, defined to embrace only cases where wilful intent to defraud could be established. The impression has apparently persisted that fraud is extensive, yet the available facts indicate that a relatively small proportion of claimants has been involved.

No matter how vigorous the effort to uncover it, or how few may be found guilty, fraud, of course, cannot be defended. Administrative controls have been established to uncover benefit fraud, to prosecute those guilty, and to reduce its incidence. Obviously, there are no facts with respect to undiscovered fraud. Yet those for known fraud have rarely been systematically compiled and utilized as an administrative tool for more effective control thereafter.

Claimants have not been charged with fraud in Ohio until fairly conclusive cases were established. Letters relative to specific charges provided such facts as social security number, benefit year, local office, the nature of the fraud and its timing and duration. They did not, however, include additional pertinent data such as the claimant's age, sex-race code, number of dependents, industry, skill level, or basic weekly benefit amount.

In view of the relatively small volume of fraud charges developed—5,433 from 1962 through 1965—it was no great burden to record these additional items from the claimants' folders (at hand when letters were written) to the carbon channeled thereafter to the Division of Research and Statistics. There a line-item record was developed for later tabulation and analysis, when the volume would be sufficient to yield meaningful data. Since fraud was not always discovered in the calendar year in which it occurred it was important to delay tabulations for at least 1 year and to relate fraud occurring during a period of several years to beneficiaries *during* the same years.

Recent tabulations covering calendar years 1962 through 1965 revealed several significant facts. One out of every 100 beneficiaries (first payments) was involved in fraud. The variation in fraud rates among claimants filing at various local offices was wide—ranging from 0.25 percent in one city to 2.32 percent in another. This suggested merit in reexamination of local control procedures, especially

at both ends of the percentage scale. In two out of three cases the fraud issue was failure to report wage employment and earnings during weeks of claimed unemployment. In one out of five cases dependents were fraudulently claimed.

The fraud rate for men was nearly three times that for women. Men separated from the construction industry accounted for 42 percent of all fraud charges against men, but only 28 percent of all men beneficiaries. The most fraud-prone age groups were men in their thirties and forties, and women in their twenties and thirties. The highest incidence of fraud occurred among unskilled men and among women service workers.

Exhaustion Rates

For many years Ohio has incorporated a sex-race code on its new claim form. A single checkmark on this form, based on observation by local claimstakers and transcribed to subsequent records and tapes, has yielded a wealth of significant information when related to other facts on the same records. Exhaustion rates for women, for example, have been consistently and substantially higher than for men, though the cyclical patterns have been quite similar. Men without dependents, showing the same general trend in exhaustion rates as men with dependents, nevertheless had rates which were regularly higher. Exhaustion rates of nonwhite men were always higher than those of white men, as was the case also for nonwhite as compared with white women. Yet cyclical trends were much the same by race, as well as by sex and dependency status. Exhaustion rates have risen fairly regularly with age—by sex, race, and dependency-status—so that rates were markedly higher for claimants 55 and over, as compared with those 24 and under.

Contributing to these patterns, no doubt, were recall rights of separated workers as well as employer preferences (as they added new workers) for younger, white men with dependents—other factors presumed to be equal. On the other hand, benefit schedules in Ohio have been relatively generous for those earning the lowest wages. And wages have been relatively low for women claimants, for claimants without dependents, and for nonwhite claimants. Thus statutory factors, as well as social and economic factors, probably influenced and possibly dominated these exhaustion-rate patterns.

Industry Experience

All forms of insurance, of course, entail subsidy. Covered groups with favorable experience subsidize those with unfavorable experience. To assess the extent of such subsidy in unemployment compensation has been relatively simple in Ohio, in terms of industries initially affected. Payments as contributions and as benefits have been distributed annually by industry since benefits were first payable in 1939. On a cumulative basis through 1966 benefits paid per dollar of contributions received have amounted to 95 cents.

The corresponding figure for contract construction, however, was $1.67. Unemployed construction workers, in other words, received roughly $164 million more in benefits than their employers paid in contributions. On the other hand, benefits paid in wholesale and retail trade represented only 69 cents per dollar of contributions. Distributors thus paid in about $128 million more in contributions than their separated workers received in benefits. Other industries being subsidized to a lesser extent—in dollar amount—were mining and quarrying, agriculture, forestry and fishing. Other industries providing such subsidies were finance, insurance, and real estate, transportation and utilities, and the service industries. Manufacturing matched the statewide rate although claimants separated by producers of nondurable goods received only 83 cents in benefits for every dollar contributed by their employers.

The need for some subsidy is rarely questioned. The extent of justifiable subsidy, however, is a policy and legislative issue. The maximum contribution rate and "writeoffs" of negative balances, for example, represent statutory provisions, the justification for which may be more rationally judged on the basis of continuing compilations such as these.

Conclusion

Examples of unemployment compensation research in Ohio, which are geared chiefly to the compilation and analysis of data available within normal operating records, are offered as illustrative and by no means inclusive of all that has been or could be fruitfully undertaken. Their end values, however, must be measured in the light of these questions: (1) Are they timely as well as

pertinent? (2) Do they yield new information, not widely known already? (3) Are they brief enough to interest key advisors, policymakers and executives? (4) Are they effectively utilized thereafter for administration, legislation, and adjudication?

Unless and until the answers are all "Yes!" the contribution of research and statistics to employment security will be limited.

Advisory Committee on UI Program Research*

OVER THE YEARS, the Bureau of Employment Security has been involved in such areas of unemployment insurance research as post-exhaustion experience, benefit adequacy, benefit entitlement, coverage of farmworkers, and reasons for unemployment of claimants. The Bureau has also worked to establish in nearly every State a continuous wage and benefit history program to meet certain basic research needs in unemployment insurance. Bureau staff members have given technical assistance to the State employment security agencies in these areas.

The potential expansion of research activity, as proposed in the employment security amendments of 1965 (H.R. 8282), emphasized further the need to plan and organize UI research activities more effectively and in concert with the States. Planning research on a national level has been and will remain a Bureau responsibility. However, since UI research relates to State laws and is conducted by the research staffs of the State agencies, the agencies should participate in the planning phase.

The Research and Reporting Committee of the Interstate Conference of Employment Security Agencies considered this matter for some time and agreed it could not undertake this role along with its other responsibilities. At its meeting of July 7, 1966, it recommended the establishment of an *Advisory Committee on UI Program Research.*

Earlier this year the Bureau implemented this recommendation of the Interstate Conference. In a report recently circulated to the State agencies the Bureau announced the formation of the Advisory Committee. The announcement explained the origin of the committee and its purpose and gave a summary of the committee's first meeting which was held in Silver Spring, Md., on May 16–17. Six representatives of the State employment security agencies accepted invitations to serve on the committee and were present at the first meeting: Martin Grantham, Unemployment Insurance Director, Kansas; M. P. Filiatreau, Director of Operations, Arkansas; Ovid Stephenson, Chief, Research and Analysis, Georgia; Addison Beeman, Chief, Research and Statistics, Ohio; Verene Ericsson, Analyst, Employment Security Department, Washington; and Sherrill Neville, Chief, Reports and Analysis, Utah.

Albert Hartman, Chief, Division of Program Studies, Unemployment Insurance Service, Bureau of Employment Security, will serve as chairman of the committee. The Research and Report-

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ing Committee of the Interstate Conference of Employment Security Agencies will be represented at the meetings. Samuel Houes, Acting Chief, Research and Planning, Delaware, represented the Research and Reporting Committee at the first meeting.

William U. Norwood, Jr., Director, Unemployment Insurance Service, Bureau of Employment Security, addressed the first meeting of the Advisory Committee and outlined its role in helping to shape the research vital to the evaluation and development of UI legislation and operating procedures. He gave particular emphasis to the need for research related to defining and establishing the UI program's place and function within the context of the developing manpower programs and policies. The UI Service research staff then outlined the latest developments and reviewed with the committee current studies and future plans for program research.

The Advisory Committee then discussed its role in guiding UI program research toward specific goals and reviewed the current status of major program research activities. The particular areas reviewed were—

1. Progress of the continuous wage and benefit history (CWBH) program, including proposals for a uniform sampling design and uniform tabulations of CWBH worker and claimant data by State employment security agencies.

2. Proposed revision of the ES–203 report, Characteristics of the Insured Unemployed, to facilitate tabulations by use of EDP equipment.

3. Progress of the pilot studies on the reasons for claimants' unemployment, being conducted in San Antonio, Tex., and Lancaster, Pa.

4. Current efforts to obtain from several State employment security agencies information on exhaustees and other long-term unemployed for the development of legislative proposals to extend unemployment insurance to those workers who are receiving training, guidance, and other services to better fit them for employment opportunities.

5. Present and prospective budget allocations to States for UI program research, including program implications.

6. Proposed *Handbook of Unemployment Insurance Program Research*, which would assemble valuable information for State research staffs.

7. Plans for the publication of a new "Research Exchange" which would emphasize UI research studies prepared by State agencies.

Unemployment Insurance Decisions*

Fine Job

Alabama.—A restaurant worker left his job after being informed that he was to be fined $5 by his employer for gambling with other employees on the premises. The claimant stated that he had understood he was to be fined $25 for not performing a cleanup job assigned to him on his last day of employment. He had been previously charged for breakage of dishes on several occasions. The employer had a policy of fining employees from $2 to $5 for various rule violations. He would reimburse the employees in some instances but at no set time.

The appeals referee concluded that the claimant left his job because he never knew when he was to be fined. The referee expressed doubt as to whether an employer has a legal right to fine an employee for a rule violation, especially if there is no contractual basis for such a fine, and he held that the claimant left his work with good cause connected with the work. (No. 5521–AT–67, May 26, 1967.)

Long-Distance Threat

Missouri.—An 18-year-old claimant worked 3 months for a telephone company as an installer. He and a friend who was also a fellow employee discovered a method by which long-distance calls could be made while circumventing the billing techniques of the employer. They wrote two letters to the employer advising him of this fact and requesting that a new department be set up with the claimant and his friend in charge. One letter contained the statement, "This information, if it leaked out, could cause . . . one of the biggest setbacks any corporation ever had. . . ." As a result of these letters to top management, two interviews

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were set up with the claimant and his friend. The employer's district manager of the installation department testified that at the second interview the claimant admitted that he had constructed the device to defeat long-distance billing procedures and had used such a device in his home. The claimant was discharged. He repeatedly denied at the hearing that he had ever used equipment at any time to avoid charges on long-distance calls.

The appeals referee found that the employer did not conclusively prove that the claimant had made such long-distance calls or that he had tampered with the employer's equipment at any time. He found, however, that the claimant's letters, which the claimant himself introduced into evidence, were in the nature of a threat to the employer and that this threat constituted misconduct connected with his work. The letters indicated a desire of the claimant not to help the employer by submitting new information or discoveries but a definite threat that if the employer would not agree to the claimant's request to add a new department such information might "leak out," resulting in considerable loss of company profits. The referee held that the claimant was discharged for misconduct connected with his work. (Appeal No. A–1939–67, Aug. 2, 1967.)

Just a Little Aspirin, Nurse

Missouri.—The claimant worked in an automobile assembly plant. During the week in issue, the employer had work for the claimant and other employees for only 2 days. The claimant worked the full 8-hour shift on the first day. After working 6.6 hours on the second day the claimant went to the office of the plant nurse, told her that he had a cold, and asked for an aspirin. The nurse took his temperature and said that he had a fever. She ordered him to go home. He protested but she insisted. He went home but did not go to a doctor about his cold. The next morning he felt all right and would have been able to work had work been available to him.

The appeals referee found that the claimant was not physically unable to work on the day he was sent home. He missed 1.4 hours of work not because he was unable to work but because the plant nurse sent him home against his wishes and would not permit him to finish his shift. He was able to work and available for work, and therefore eligible for benefits with respect to his period of unemployment during the week. (No. A–1009–67, May 5, 1967.)

Old Shoes for the Bridegroom

New Mexico.—A 21-year-old grocery clerk was to be married the following day in Mexico. In the late afternoon he remembered that his best shoes needed repair. He asked his supervisor (who had been on the job only a few days) for permission to leave the store to have the work done. The supervisor referred him to the general manager. The general manager told him that if his supervisor would approve the absence, it would be all right. The supervisor then told the claimant that since the manager had no objection he would not object. The claimant understood from these deliberations that it would be permissible if he left, especially as he had not taken any break that morning or afternoon. He testified that he was gone only 15 minutes. The supervisor and general manager thought that the claimant was gone longer but did not know how long. The claimant was discharged because of a longstanding company rule that all breaks are to be taken in the store and before 11 a.m. and 4 p.m.

The appeals referee held that the claimant was discharged for reasons other than misconduct connected with work. "Certainly," said the referee, the claimant "was openly seeking permission to do a relatively important chore which he should have seen to at another time. However, his failing was not sufficient in strength or magnitude to show deliberate actions or gross negligence which would constitute misconduct in connection with the work." (Appeal No. 641–67–U, Aug. 25, 1967.)

Not a Loud or Undue Noise

Utah.—An accounting clerk was employed by a lodge in Wyoming. She was assigned living quarters with another woman who, although congenial and friendly, snored excessively. This seriously interfered with the claimant's sleep. She mentioned the circumstance to the woman, but it was something that she could do nothing about. The claimant told the employer and he referred her to the personnel office where she was informed that there was no possibility of a reassignment of living quarters at the time. The employer's rules of conduct for employees at the lodge required that there be no loud and undue noise in the dormitories after 10 p.m. and that employees get adequate rest to enable them to properly perform their duties. The claimant thought this situation constituted a violation of the company's own rules, and that she had made a reasonable effort to rectify it by taking it up with the employer.

The appeals referee, however, found that the facts did not show that the situation had reached the point where it was seriously detrimental to the claimant. The referee held that she voluntarily left work without good cause but gave her less than the maximum disqualification provided under the law. (UCFE–67–A–4366, Aug. 8, 1967.)

Trends in the Economy*

THE NATION'S economy gained momentum in August, as most key indicators showed renewed strength. Industrial production registered the sharpest rise since early 1966. Personal income, aided by considerable increase in the factory payroll sector, registered its strongest advance since January. Retail sales were at a new high, topping records set in both July and in June. In construction activity, both housing starts and permits for future construction showed slight over-the-month gains and were substantially above their year-earlier levels. Job developments in August showed improvement, as total employment gained moderately and unemployment eased to 3.8 percent (seasonally adjusted) from 3.9 percent in the preceding month.

Business Activity

Industrial production rose sharply in August, moving up by 1.3 points to 158 percent of the 1957–59 base. This advance followed an increase of 1.2 points in July, and the 2-month gain recouped about three-fourths of the decline in output that occurred during the first half of the year. Compared with August 1966, the industrial production index was unchanged.

The sharp gain reflected a continuing heavy resurgence in manufacturing. The manufacturing index advanced by 1.4 points to 159.3 percent in August, with both the durable and nondurable goods sectors moving higher. August auto production, at 164 percent (seasonally adjusted) was up by 3.3 points over the month. The actual number of new cars turned out totaled 280,300, compared with 146,500 units assembled in the same month a year earlier. Iron and steel output was stepped up over the month, as was output of defense equipment, machinery, rubber products, and such consumer goods as television and household appliances. On the other hand, production of business equipment showed no gain.

Mining output climbed over the month by 0.8 point to 128.5 percent, while utilities production advanced by half a point to 183.5 percent.

The SEC-Commerce August survey on proposed capital spending revealed that businesses plan to spend a record $62.0 billion for *new plant and equipment* in all of 1967—some 2.3 percent above the 1966 level. The new survey indicates that businessmen have cut back their anticipated 1967 outlays by about $370 million since the previous survey was conducted in May.

The annual rate of spending is projected at $62.5 billion in the third quarter, $300 million below the previous projection for this period. For the fourth quarter, the annual rate is shown as rising by $150 million to $62.7 billion. In the May survey the fourth-quarter rise was shown as $800 million.

Most manufacturing industries have scaled down their planned outlay since the May survey. For the manufacturing sector as a whole, the projected increase in outlay over 1966 levels has been trimmed from a gain of 3.4 percent to a gain of only 1.2 percent.

New orders for durable goods dropped in August for the second consecutive month. The order inflow, at a seasonally adjusted $22.8 billion, was down $600 million from July and was $700 million below the August 1966 volume. The decline was due primarily to a falloff in aerospace bookings. New orders for primary metals dropped as did new orders for all transportation equipment (chiefly aerospace equipment). On the other hand, orders received by machinery and equipment producers moved higher.

Shipments of durable goods rose by 0.4 percent to $23.2 billion in August, exceeding the year-earlier volume by some $300 million. The gain was chiefly in the transportation equipment sector.

Reflecting the fall in orders and rise in shipments, the *backlog of unfilled orders* for durables declined by 0.5 percent to $76.1 billion at the end of August. Also the backlog of orders for transportation goods declined, while that for primary metals held steady and the machinery backlog grew.

Housing starts in August were at a 1,381,000 annual rate (seasonally adjusted), up by 1.4 per-

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cent from July's 1,362,000 units and 1,108,000 units a year earlier. About half the increase occurred in the South, with smaller rises noted in the North Central and West regions. In the Northeast region starts fell sharply over the month, offsetting most of the gains elsewhere.

Building permits for future construction were issued at a 1,100,000 annual rate in August, somewhat above July's 1,093,000 and markedly higher than the 852,000 issued in August 1966. Virtually all of the rise in permits took place in the West, with a slight gain in the North Central region. A decline occurred in the Northeast, although not as sharp as in housing starts. A small reduction was noted also in the South.

Nationally, permits for single family homes rose to a 643,000 annual rate from July's 626,000. This was a full 35 percent above a year earlier, when the home building industry was at a depressed level. The permit rate for two- to four-family units remained unchanged at 74,000 in August. In the larger apartment category (units for five families or more) permits fell by 10,000 over the month to 383,000. However, this was still 71,000 above the August 1966 figure.

Personal income continued to rise in August, climbing by $4.5 billion to a record $631.2 billion (seasonally adjusted annual rate). This was the third consecutive month that the rise was over $4 billion.

Over three-fourths of the August gain occurred in the wage and salary sector which increased by $3.5 billion to $426.6 billion (annual rate). More than half the rise was in manufacturing, with factory payrolls registering their largest increases this year. Large gains were reported in payrolls of transportation equipment manufacturers and in the rubber industry as strikers returned to work. Moderate payroll advances occurred in the machinery, electrical equipment, fabricated metal, and textile industries, but there were declines in the food, apparel, and primary metal industries.

Wages in nonmanufacturing industries moved ahead in line with employment gains, while payrolls in the construction and mining industries were off somewhat due to lower employment levels.

During the first 8 months of 1967, personal income, at $619 billion annual rate, was up $43 billion from the comparable 1966 period.

Retail sales in August rose to a record $27.01 billion (seasonally adjusted), up 1 percent from July and 6 percent higher than August a year ago.

Nondurables sales accounted for the entire advance, with all major industries sharing the gain. At $18.4 billion, nondurable goods sales were up 2 percent from July and 7 percent above the year-earlier figure.

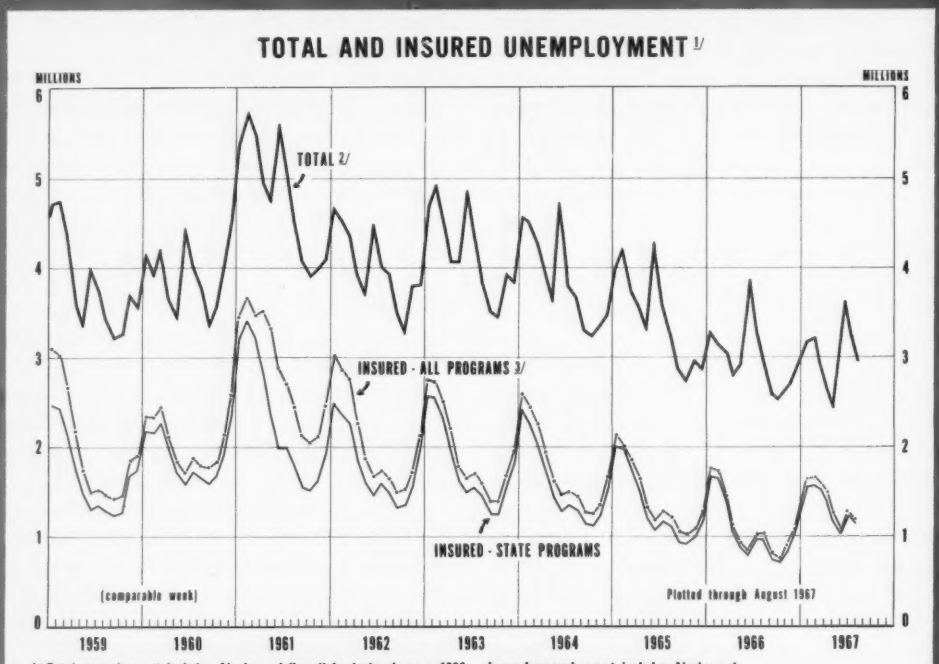
Durables sales declined fractionally to $8,656 million from $8,668 million, in July, but were up 4 percent from August 1966. Sales of U.S. cars fell 15 percent from July to 518,970. Much of the August decline was attributed to shortages of some models, as automobile makers ended production of 1967 lines and began building 1968 models.

Employment

Total civilian employment, at 76.2 million, was down 51,000 from the prior month but was 1.5 million above a year ago. Between July and August employment usually shows a decline, but this year the reduction was less than expected, resulting in a rise in the seasonally adjusted level of total employment. Seasonally adjusted employment rose by some 223,000 to 74.7 million—the third consecutive monthly advance. The better than seasonal gain was about equally divided between adult men and adult women; teenage employment was down somewhat.

Employment among *nonagricultural payroll employees* advanced to a new high in August (seasonally adjusted), moving up by 303,000 to 66.3 million, with all industry divisions except mining and construction showing gains. The return of strikers in the rubber industry and recalls of auto workers following an earlier than usual model changeover accounted for about half the overall rise and about four-fifths of the 186,000 increase in manufacturing employment. Other industry divisions showing gains were services (62,000), government (38,000), and trade (32,000). Mining and construction each showed an employment decline of 18,800.

Over the year, payroll employment was 1.9 million higher, with the entire gain confined to the service-producing sectors. Government employment increased the most (725,000), with the State and local segments accounting for over three-fourths of the upswing. Next was the services industry (527,000), followed by trade (416,000), transportation and public utilities (175,000), and finance-insurance-real estate (140,000). Employment losses occurred in construction (72,000), mining (26,000), and manufacturing (19,000). The weakness in the latter sector reflected in large



1/ Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959, Puerto Rico beginning January 1961, and Puerto Rican sugar workers beginning July 1963.
2/ Source: Bureau of the Census and Bureau of Labor Statistics. Data beginning with January 1967 reflect definitional changes in employment and unemployment.
3/ Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

measure a drop in production as manufacturers worked off inventories.

At an average of 38.6 hours in August, the *workweek for employees on private payrolls* was down 0.5 hour from August 1966. However, weekly earnings, at $103.06, were some $3.35 higher than a year earlier. Reflecting the improved inventory situation, the *average factory workweek* edged up to 40.6 hours in August from 40.4 hours in July, while overtime hours remained unchanged at 3.3 hours. Over the month *average hourly earnings* for factory workers held at $2.82, and *average weekly earnings* rose by 56 cents to $114.49.

Unemployment

Total unemployment showed some improvement in August, moving down by some 300,000 to 2.9 million, compared with 2.8 million a year earlier. The seasonally adjusted jobless rate eased from 3.9 percent in July to 3.8 percent. Included in the jobless count this August were 1.0 million adult men, 1.1 million adult women, and 900,000 teenagers. Unemployment among nonwhites, at 630,000, accounted for one-fifth the jobless total.

The jobless rate for adult men, at 2.4 percent, showed no change between July and August; a year earlier the rate was 2.5 percent. For adult women, the rate moved down from 4.3 percent to 3.9 percent, the same level as a year earlier. On the other hand, the job situation for teenagers showed a deterioration, with the jobless rate rising to 13.7 percent, compared with 12.6 percent in July and 12.5 percent in August a year ago.

Insured Unemployment*

INSURED UNEMPLOYMENT under State programs during August showed a greater than seasonal reduction, moving down by 11 percent, or 124,700, to a weekly average of 1,059,500. Except for August 1966, when the insured jobless total was 928,400, this was the smallest average for the month in 11 years. The greater than seasonal decline largely reflected returns to work after vacation shutdowns, along with recalls of auto workers following an earlier model-changeover period. On a seasonally adjusted basis, the level of insured unemployment was 1.3 million in August, compared with 1.4 million in July and 1.1 million a year earlier.

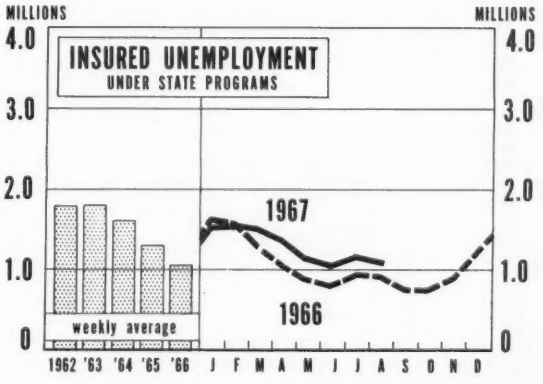
Among the 40 States reporting decreases between July and August, the largest reductions took place in New York (30,500), Michigan (18,800), California (15,300), and Pennsylvania (13,300). New York's decline stemmed primarily from increased activity in the apparel industry. Recalls of auto workers following model changeovers accounted for most of the drop in Michigan. In California the decline was attributable to a pickup in transportation equipment, trade, and food processing activity. Less joblessness among primary metal, textile, and leather workers was a primary factor in the over-the-month reduction in Pennsylvania.

Increases in insured joblessness were highest in Puerto Rico (13,800), Washington (3,300), and Missouri (2,300). Puerto Rico's rise reflected the seasonal slowdown in the sugarcane industry. More joblessness in trade, services, transportation equipment, and nonelectrical machinery was responsible for Washington's increase. The same factors, excluding nonelectrical machinery, along with apparel raised the volume in Missouri.

Compared with a year earlier, insured joblessness was higher in 42 States, the District of Columbia, and Puerto Rico. Six of the larger industrial States reported increases of more than 6,000—Pennsylvania (15,200), Ohio (12,400), Illinois (11,200), California (8,600), and New Jersey and Indiana (6,000 each). Greater insured unemployment among workers from a wide variety of industries, most notably primary metals, transportation equipment, and apparel was recorded in Pennsylvania. The increases in both Ohio and Illinois stemmed from reduced activity in the metal and metal using industries. California's rise was centered in food processing and the trade and services industries. In both New Jersey and Indiana, much of the increase was the result of reduced activity in the electrical machinery industry.

With the exception of Michigan and New York, which reported decreases of 10,300 and 4,300, respectively, declines from a year ago were nominal. The lower volume in Michigan stemmed from the automobile industry as model-changeover shutdowns were scheduled at slightly different times than last year. A decline in printing and publishing, along with a reduction in construction activity, transportation equipment, and ordnance accounted for the drop in New York.

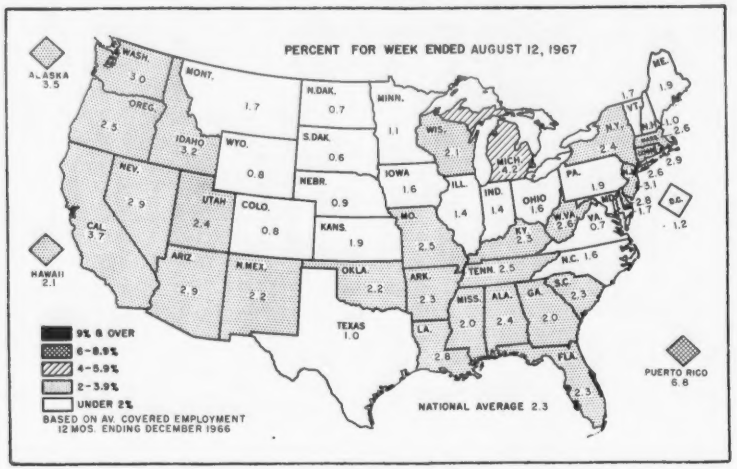
The national rate of insured unemployment (not seasonally adjusted) dropped from 2.4 percent in July to 2.2 percent during August. With the exception of August 1966 when the rate was 2.0 percent, this was the lowest rate for the month since 1945. Twenty States reported rates above the national average, with the highest recorded by



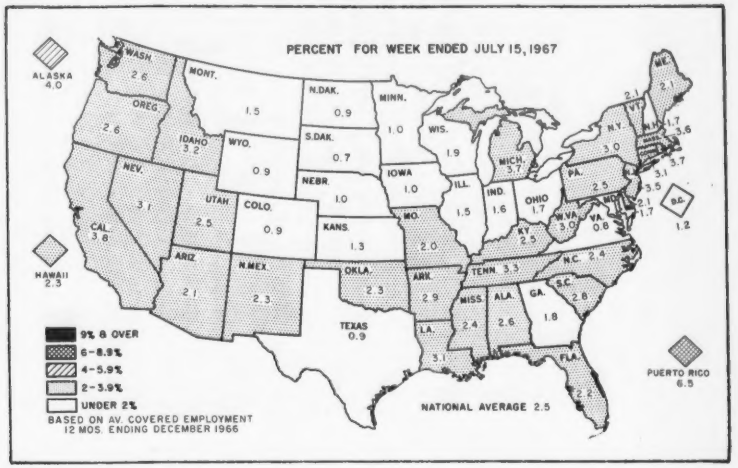
Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

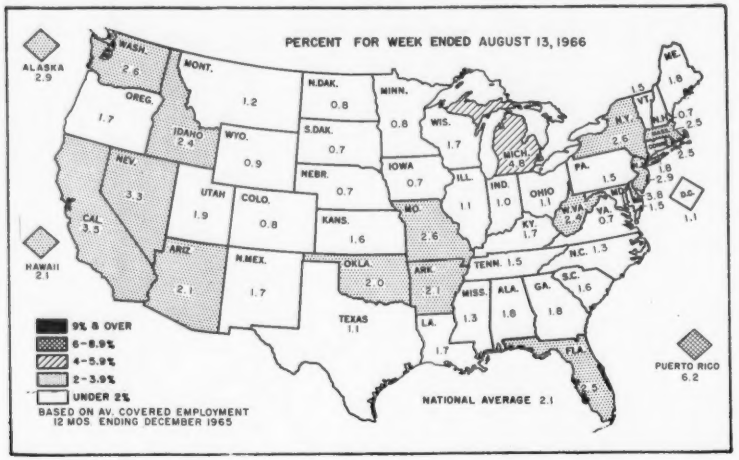
LATEST MONTH



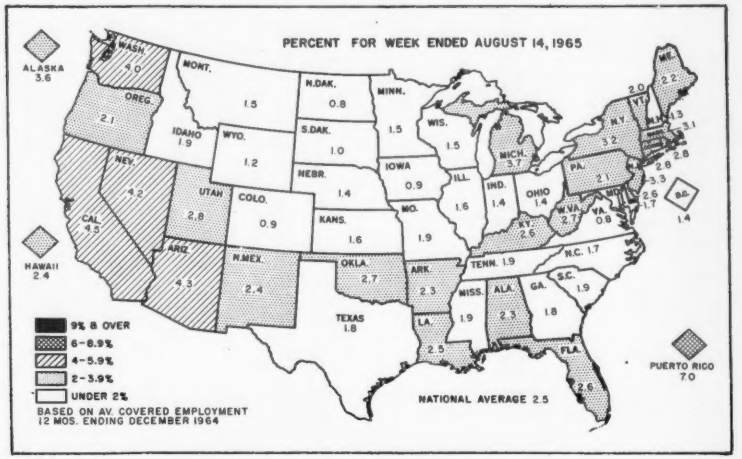
PREVIOUS MONTH



ONE YEAR AGO



TWO YEARS AGO



Week ended—	Initial claims [1]		Insured unemployment [1]	
	1967	1966	1967	1966
July 1	206, 300	188, 500	[2] 979, 600	787, 200
July 8	322, 900	282, 900	1, 138, 700	924, 500
July 15	309, 100	245, 900	1, 211, 600	963, 200
July 22	282, 400	252, 300	1, 184, 100	947, 600
July 29	243, 700	226, 300	[2] 1, 204, 600	984, 700
August 5	250, 400	227, 300	1, 173, 500	1, 020, 200
August 12	193, 100	178, 800	1, 131, 800	978, 300
August 19	174, 600	157, 500	1, 064, 000	926, 300
August 26	160, 700	143, 700	994, 400	866, 200
September 2	163, 100	145, 400	930, 700	800, 300
Weekly averages				
July	287, 700	248, 900	1, 184, 200	947, 000
August	186, 800	172, 700	1, 059, 500	928, 400

[1] Refers to State programs. [2] Revised figures.

Puerto Rico (6.6 percent) and Alaska (4.0 percent), followed by California (3.5 percent), Michigan and Washington (3.2 percent each), and Rhode Island (3.0 percent). The lowest rates were noted in Nebraska, Wyoming, and Colorado (0.8 percent each), Virginia and North Dakota (0.7 percent each), and South Dakota (0.6 percent).

Insured unemployment under the program for ex-servicemen (UCX) rose by 1,200 in August to a weekly average of 25,100. Insured joblessness under the program for Federal employees (UCFE) dropped by 500 to an average of 19,400 per week in August. A year earlier the jobless number under the UCX and UCFE programs averaged 18,800 and 17,500, respectively.

Initial Claims Drop Sharply

During August, initial claims under the State programs declined substantially from a July weekly average of 287,700 to a weekly average of 186,800. This large drop reflected, in part, the earlier model-changeover period in the auto industry, along with seasonal pickups in the apparel and electrical machinery industries. The August volume was 15 percent greater than was expected.

Benefits

A total of $184.0 million was paid in benefits under all regular unemployment insurance programs in August—$28.8 million above the amount in July and $32.0 million more than August 1966. Benefits under State programs amounted to $172.8 million—$25.5 million more than the July total. Under the railroad program, benefits totaled $3.2 million. An aggregate of $8.0 million was paid under the UCFE and UCX programs.

The average weekly benefit check for totally unemployed workers was $41.08 in August, compared with $40.10 in July and $40.65 a year earlier. The highest average weekly benefit checks were paid in Michigan ($51.48), Wisconsin ($50.02), Hawaii ($49.34), California ($49.27), and Delaware ($48.55) and the lowest by Puerto Rico ($20.64), Mississippi ($26.40), West Virginia ($28.16), and Oklahoma ($28.44).

Approximately 8 percent of the beneficiaries received payments for partial unemployment which averaged $23.81, compared with $23.96 in July.

Exhaustions

In August the number of claimants exhausting their benefit rights under State programs totaled 76,100, some 2,700 above the prior month, and 18,800 more than the year-earlier figure. Exhaustees in August accounted for 7 percent of the 1.1 million persons who ceased filing for benefits under the State programs. The remainder, presumably, had returned to work or had left the labor force.

Activity [1]	Number or amount August 1967	Percent change from—		January-August cumulative (in thousands)	
		July 1967	August 1966	1967	1966
Initial claims [2]	871, 900	−28. 4	+5. 6	8, 240	7, 046
Weeks claimed [2]	5, 200, 400	+9. 7	+16. 4	45, 907	39, 973
Insured unemployment (weekly average) [2]	1, 059, 500	−10. 5	+14. 1	1, 319	1, 155
Beneficiaries (weekly average)	945, 900	+4. 3	+19. 6	1, 127	991
Benefits paid [3]	$172, 806, 900	+17. 3	+20. 8	$1, 554, 003	$1, 300, 476
Claimant exhaustions	76, 100	+3. 7	+32. 7	606	573

[1] Data relate to State programs only.

[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.

[3] Monthly data represent gross amount; cumulative data represent net amounts.

Selected Unemployment Insurance Statistics, State Programs, August 1967

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending August 1967 (in thousands)		Funds available August 1967 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/871940	8/5800410	8/1059498	945920	$41.08	76142	$172806867	$2024824	$3143686	$10659150
Alabama	12378	72658	15363	12328	30.50	1569	1695060	19764	30538	113845
Alaska	1670	7338	1675	1412	45.01	129	885870	6851	11396	10/ 226685
Arizona	6750	39804	8173	6008	37.65	575	1027802	12012	19760	79239
Arkansas	6535	41319	8380	6973	29.80	766	989654	11953	16480	43606
California	129003	775323	162814	149796	49.27	14184	33105508	470387	581366	930552
Colorado	3512	15557	3375	2440	45.60	213	496527	10083	12074	71458
Connecticut	17554	90640	18735	18899	42.63	1322	3613958	31663	63589	270608
Delaware	1856	18618	3528	4770	48.55	199	974720	7289	6243	24756
Dist. of Col.	2078	18389	3973	3688	43.48	251	734460	7291	11017	71446
Florida	14641	123916	26600	22060	29.81	2224	2991766	18823	37889	220559
Georgia	11275	86051	17826	14239	36.88	1849	2281643	18741	44259	244847
Hawaii	2244	19433	4078	3782	49.34	328	835461	10552	11706	28626
Idaho	1710	20052	3868	3447	37.55	3	577020	7654	9933	37686
Illinois	27604	195147	40032	36990	42.29	3730	7024038	85085	76494	563462
Indiana	21349	96985	18115	17609	36.42	1699	2917423	28704	61338	249217
Iowa	6630	33276	6627	4934	44.23	295	963682	10047	14824	126297
Kansas	3450	31203	6041	6172	43.23	366	1192673	10444	19091	81427
Kentucky	7596	57033	12009	10387	36.57	1430	1659453	18777	31572	146694
Louisiana	10227	91171	18332	17993	34.24	1573	3099492	25489	38172	157860
Maine	3274	18991	3931	3508	33.40	272	495770	7749	10354	41755
Maryland	14524	54383	12325	11508	41.87	558	2125395	25683	42731	220453
Massachusetts	30442	199002	42375	38479	41.25	3265	6916907	91954	137452	326410
Michigan	76059	465557	74091	81500	51.48	3824	18906110	114635	165379	10/ 635272
Minnesota	6089	37642	7807	6206	37.61	734	1054148	22955	45735	65954
Mississippi	5713	33119	6705	5229	26.40	686	620390	7317	14169	77730
Missouri	30668	125963	25343	20593	39.72	1173	3497801	32604	40144	266989
Montana	1481	9962	1870	1432	30.75	205	208333	5692	6443	21358
Nebraska	1670	10638	2236	2232	33.87	303	341367	6125	9660	47796
Nevada	2884	15750	3679	3349	42.48	417	642468	12415	11214	29058
New Hampshire	2023	7848	1735	1220	37.98	5	192965	2641	7266	40061
New Jersey	35973	252130	51996	51588	41.25	4660	9521632	115228	159974	418273
New Mexico	3167	17203	3560	3110	33.33	214	466454	6386	8080	38819
New York	113300	622533	127674	123653	42.49	7457	22968905	415140	415790	1547880
North Carolina	14351	92954	18689	17850	29.10	1472	2285252	26478	58170	299468
North Dakota	341	2820	551	483	34.44	59	75900	4678	5118	7439
Ohio	31340	201948	38557	35126	41.00	1876	6532281	65507	154384	574362
Oklahoma	5131	43112	9252	7405	28.44	723	955491	10570	13959	58619
Oregon	17769	61603	13761	10400	39.22	962	1833637	29090	37636	120312
Pennsylvania	52944	293881	61845	55168	35.79	2858	8448801	101510	306574	694635
Puerto Rico	8/27840	8/190466	8/45918	14821	20.64	3363	1389662	9/16805	26110	73896
Rhode Island	6831	42281	7947	8038	37.97	550	1359214	13416	22251	71438
South Carolina	10327	59185	12198	10267	28.81	1370	1519698	14781	27266	122810
South Dakota	304	2406	515	337	30.61	82	425515	1580	2710	16724
Tennessee	11455	97563	19855	16775	30.76	2120	2331645	26262	48876	157609
Texas	17120	96799	20131	17622	31.62	2076	2479504	27542	61840	317348
Utah	3301	23452	4907	3920	38.65	355	687267	10212	12346	41958
Vermont	1130	7184	1598	1434	38.33	92	237740	3763	9378	19096
Virginia	8503	31496	6393	4942	31.73	640	711204	9396	23685	176370
Washington	23950	106296	23324	19265	31.62	5	2776316	35294	72024	287269
West Virginia	9898	46610	9855	7093	28.16	496	889741	10783	20574	80541
Wisconsin	13587	92890	18838	17029	50.02	557	3819850	38776	64689	261049
Wyoming	427	2319	496	408	35.90	38	65294	2247	4024	13529

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $33,887 in payments under extended duration provisions of State laws in Puerto Rico.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs,[1] August 1967

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	9,150	91,579	18,842	$3,580,551	$41.31	21,080	117,651	22,975	$444,2851	$42.04
Alabama	276	3,664	706	112,352	34.58	437	2,463	465	75,320	35.25
Alaska	91	1,255	304	61,325	43.80	41	247	48	11,631	52.16
Arizona	167	1,656	363	67,080	40.14	329	1,802	343	63,539	40.21
Arkansas	66	751	120	18,072	32.74	197	1,285	233	39,839	37.20
California	1,527	16,957	3,325	765,597	50.05	3,661	24,694	4,804	1,071,509	48.49
Colorado	129	725	122	26,010	46.45	269	1,125	196	41,753	45.83
Connecticut	42	562	114	23,393	44.56	242	1,044	212	40,249	41.28
Delaware	19	172	28	5,882	44.90	62	322	67	11,883	38.58
Dist. of Col.	292	3,228	786	174,372	48.25	79	606	125	25,935	45.10
Florida	202	1,456	211	29,827	30.72	428	1,903	324	51,106	34.32
Georgia	234	2,164	423	73,430	37.73	321	1,858	408	77,940	41.57
Hawaii	93	1,332	365	88,644	52.83	146	1,325	289	70,759	53.24
Idaho	33	180	42	7,448	38.99	53	276	54	11,032	44.31
Illinois	379	3,751	777	135,852	38.00	683	2,926	540	100,511	40.46
Indiana	93	683	134	21,898	35.61	471	1,737	332	58,282	38.19
Iowa	17	230	48	9,424	42.64	134	663	149	32,084	46.84
Kansas	65	652	133	24,742	40.56	118	773	168	34,729	44.93
Kentucky	146	1,172	241	38,708	34.94	404	3,126	692	134,083	42.12
Louisiana	105	1,501	257	44,451	37.61	343	2,892	513	97,298	41.23
Maine	24	236	57	9,204	35.00	78	326	57	10,857	41.44
Maryland	113	964	204	38,687	41.24	350	1,127	274	55,048	43.65
Massachusetts	290	3,813	931	199,032	46.48	400	2,659	585	123,445	45.84
Michigan	218	1,725	380	74,196	42.45	1,050	5,785	1,166	229,145	42.71
Minnesota	56	475	113	20,753	40.06	291	1,419	323	61,254	41.17
Mississippi	136	1,174	277	34,638	27.17	140	637	129	17,411	29.26
Missouri	203	1,672	357	60,086	36.57	416	2,072	475	88,538	40.50
Montana	31	301	64	9,669	33.00	63	325	68	10,440	33.35
Nebraska	41	385	99	15,787	34.77	39	209	45	7,838	37.50
Nevada	74	392	66	13,229	43.37	77	393	82	16,084	42.89
New Hampshire	5	76	15	2,612	36.79	38	127	26	5,529	46.86
New Jersey	402	3,591	715	144,327	43.91	657	4,032	818	160,912	42.74
New Mexico	129	865	199	31,866	34.86	174	903	194	33,226	37.25
New York	801	7,330	1,387	278,701	43.69	1,476	6,699	1,215	225,328	40.32
North Carolina	156	1,587	310	46,579	32.71	275	1,582	271	49,771	39.94
North Dakota	19	187	35	6,192	38.46	33	197	32	6,199	41.89
Ohio	170	1,784	483	86,138	38.78	1,055	5,307	822	153,056	40.49
Oklahoma	96	1,601	341	48,455	30.88	163	1,423	267	41,682	33.94
Oregon	90	730	160	25,551	34.72	371	1,619	337	67,559	43.61
Pennsylvania	488	5,384	1,047	187,208	38.88	1,729	9,476	1,834	347,227	41.17
Puerto Rico	56	452	116	12,540	23.53	325	2,108	403	47,224	25.47
Rhode Island	47	724	162	34,609	46.52	163	843	180	36,643	44.36
South Carolina	100	749	145	23,360	35.02	206	1,291	261	48,404	40.30
South Dakota	37	445	75	12,150	35.32	15	141	30	4,894	35.21
Tennessee	201	2,346	522	85,510	35.63	451	3,290	652	111,867	37.28
Texas	335	2,777	566	85,494	32.86	756	3,461	757	125,943	36.16
Utah	127	1,605	306	64,096	45.59	144	1,088	200	38,328	41.75
Vermont	7	62	10	2,112	44.00	18	103	20	3,978	43.24
Virginia	98	688	90	14,139	34.07	183	717	112	20,144	39.11
Virgin Islands	0	2	0	114	57.00	4	10	1	208	52.00
Washington	459	4,199	884	144,369	35.49	697	2,615	472	85,721	39.48
West Virginia	53	298	59	6,663	24.59	470	2,522	500	79,422	34.56
Wisconsin	101	749	148	30,198	44.41	327	1,970	375	74,850	43.42
Wyoming	11	120	22	3,780	38.18	28	108	28	5,194	40.26

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955, and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.
2/ Includes transitional claims.
3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan.
4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	June 1967	May 1967	June 1967	May 1967	June 1967	May 1967	June 1966	May 1966
California								
State plan								
Basic benefits	51,558	55,148	318,983	322,575	$18,092,971	$18,267,140	$16,894,521	$16,037,621
Additional hospital benefits	1/32,174	1/30,569	2/231,568	2/221,086	2,778,816	2,653,032	2,674,452	2,572,572
Private plan	4,241	3,700	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New Jersey								
State plan	7,919	8,943	63,598	67,135	2,544,422	2,676,453	2,490,826	2,354,431
Private plan	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New York	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Rhode Island	3,118	3,448	32,069	31,226	1,191,217	1,159,227	1,101,152	996,660
Railroad								
Sickness	9,503	7,845	4/69,604	5/77,452	2,093,435	2,177,472	2,464,607	2,422,944
Maternity	159	116	4/1,914	5/1,886	135,686	131,368	148,715	134,693

1/ Represents the number of payments made.
2/ Days for which additional hospital benefits were paid.
3/ Data not available.
4/ Estimated from data "benefit periods" compensated which number 34,802 for sickness and 957 for maternity.
5/ Estimated from data "benefit periods" compensated which number 38,726 for sickness and 943 for maternity.

Note.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C., 20210.

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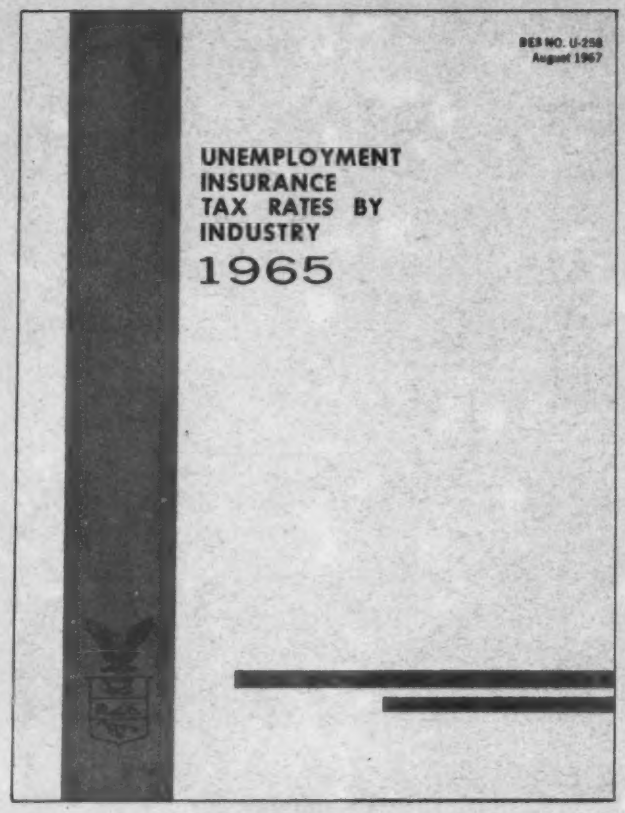

▶ *Unemployment Insurance Tax Rates by Industry 1965,* contains useful indicators of variations in the cost of unemployment insurance to the major types of industry.

▶ Detailed data, shown separately for each of the 50 States, the District of Columbia, and Puerto Rico include—

The taxable wage base, minimum and maximum statutory limits of employer tax rates, and the range of tax-rate schedules in effect during 1965;

Average employer contribution rates (as percent of taxable and total wages) by major industry division;

Covered employment and wages, taxable wages (dollar amount and as percent of total wages), and average tax rate as a percent of taxable and of total wages, for all major industry divisions and the principal two-digit industry classifications.

▶ Single copies of *Unemployment Insurance Tax Rates by Industry 1965* (BES No. U–258, August 1967) may be obtained without cost, as long as supplies permit, by writing to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C. 20210.

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